

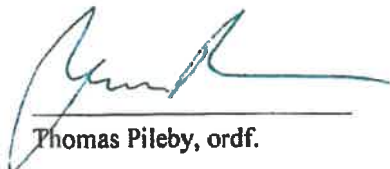
Bilaga 3

Styrelsens redogörelse enligt 13 kap. 6 § aktiebolagslagen (2005:551)

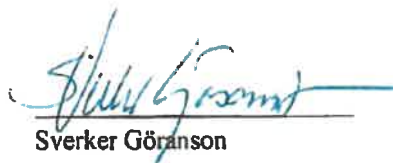
Med anledning av styrelsens beslut om företrädesemission förutsatt av bolagsstämman godkännande meddelar styrelsen i Serstech AB (publ), 556713-9893, att följande händelser av väsentlig betydelse för bolagets ställning har inträffat efter avgivandet av senaste årsredovisningen:

- Den 24 april 2019 publicerades kvartalsrapport för perioden januari – mars 2019 där väsentliga händelser under perioden framgår, Bilaga 3.1.
- Den 20 augusti 2019 publicerades halvårsrapport för perioden januari – juni 2019 där väsentliga händelser under perioden april – juni 2019 framgår, Bilaga 3.2.
- Den 20 augusti 2019 publicerades att bolaget utser ny CFO, Bilaga 3.3.
- Den 20 augusti 2019 publicerades att Anna Werntoft avslutar sitt uppdrag som styrelseledamot i bolaget, Bilaga 3.4.
- Den 2 september 2019 publicerades att bolaget lanserar nya produkter och kommer in på läkemedelsmarknaden, Bilaga 3.5.
- Utöver dessa händelser har inga händelser av väsentlig betydelse för bolagets ställning inträffat sedan lämnandet av årsredovisningen för räkenskapsåret 2018.

Lund den 30 oktober 2019



Thomas Pileby, ordf.



Sverker Göranson



Arve Nilsson



FIRST QUARTER REPORT 1 January – 31 March 2019



Significant comparative sales increase

First quarter 2019

Net sales: KSEK 3 251 (1 210), **+170%**

Profit for the period: KSEK -3 659 (-3 434)

Earnings per share: SEK -0,06 (-0,06)

Earnings per average number of shares: SEK -0,06 (-0,07)

COMMENTS FROM THE CEO

The first quarter of the year delivered net sales of 3.2 MSEK, a growth of 170% compared to Q1 2018. In addition, we received an order valued at 1.1 MSEK, which will be delivered and invoiced in the second quarter. The sales growth is significant, but even more significant is the distribution of customers and orders, with a continued shift to "run-rate" business with limited or no direct involvement from Serstech's sales team. We expect the growth to continue and that what we have seen in the first quarter will be the way of the future – more frequent, smaller orders from many different partners.

Our partner network continued to expand during the first quarter and by the end of it, we had 45 partners, covering the home countries of more than 80% of the world's population and an even larger part of the world's security investments. Due to the rapid growth of the partner network, we have shifted focus of our sales team and now prioritize activities directed towards existing partners rather than finding new ones. We expect the goal to reach 60 partners during the year will be met well before the end of the year.

2018 was all about building a foundation for the future and 2019 will be about revenue growth and maturation of the company, the team and the processes. In February, we added one person to the sales team and one former sales person was moved into a technical role, with the primary focus on training our partners in both the applications of our technology and the sales process. We are mainly signing up partners with experience and knowledge from the industry, but we still see a strong correlation between technical training and partner activity level and eventual sales. We will introduce an on-demand learning management system over the next few months together with a technical certification program for partners, in order to further strengthen the skills of our sales network.

By the end of 2018, we finalized two major projects, aimed at improving the quality and performance of our instrument and reducing the dependency on third-party licenses. The projects were finalized successfully and we both improved our instrument dramatically and reduced the cost of goods sold. Accounting rules require us to depreciate the capitalized work for own account over a period of five years, and as can be seen in this report the depreciation cost has increased by a bit more than a million compared to the same period last year. We will maintain this higher level of depreciation for the coming years.

Due to the long sales cycles in our industry, most of the investments we make take a year or more to generate revenue. We have during the quarter therefore secured additional credit from several

sources to allow us to continue our acceleration and expansion. We believe that we now have more than enough cash for the coming twelve months, even in the unlikely case of significantly lower than forecast sales.

The sales in the first quarter is primarily the result of the work done in early 2018. The majority of our current sales partners were added during 2018 and we therefore expect a strong development in net sales in 2019, especially during the second half of the year. We remain optimistic about the future and the net sales in Q1 are further evidence that we are on the right track and can continue the rapid growth.



Stefan Sandor, CEO



FINANCIAL COMMENTS

Sales and results

The net sales for the period has increased significantly by 170% to KSEK 3 251 (1 210). The EBITDA has also improved to KSEK -1 245 (-2 342) despite higher operational expenses. Improved sales and EBITDA can be explained by Serstech's strategy to create a solid partner network with recurring business from a large number of end-customers, which was implemented in 2018. Implementing new strategies takes time, but the improved sales are a clear indication that this strategy has set a new pace for the company.

EBIT for the period was KSEK -3 715 (-3 461) and the reported net earnings for the period was KSEK -3 659 (-3 434). The lower earnings despite the increased sales are part due to an increased depreciation of capitalized development costs and part due to higher operational expenses, mainly payroll expenses.

Earnings per share during the period amounted to SEK -0.06 per share (-0.06). Earnings per average number of shares, due to the share issue in 2018, amounted to -0,06 (-0,07).

Depreciation and amortization

The result for the period has been adjusted by KSEK 2 470 (1 119) for depreciation, of which KSEK 78 (87) refers to depreciation of equipment, tools and installations, whereas KSEK 2 392 (1 032) refers to depreciation of previous year's capitalized development costs. The increase in depreciation of capitalized development costs is effective as from January 2019 as several long-term projects have been finalized and item for depreciation.

Investments

Serstech's total investments during the period amounted to KSEK 1 158 (913) and relate to intangible fixed assets of KSEK 1 142 (893), such as capitalized expenditure for development work, and tangible fixed assets of KSEK 16 (19), such as inventory, tools and installations.

Liquidity and financing

At the end of the period, the company had KSEK 2 691 (14 496) in cash and banks and KSEK 1 000 in unutilized overdraft credit.

The management has secured additional financing if needed. The Board has concluded that the company has sufficient liquidity to implement its strategic plan.

At the reporting date the company had long-term interest-bearing liabilities of KSEK 1 375 (1 312).

Equity, share capital and number of shares

As of December 31, 2018, Serstech's equity amounted to KSEK 38 650 (51 206).

The company's equity ratio amounted to 90 percent (83) on March 31, 2019.

The share capital is divided into 64 119 306 shares with a quota value of SEK 0.11. All shares belong to the same series and have the same voting and profit rights in the company.



Hazardous chemicals can pose serious threats to humans and first responders need to quickly understand what they are dealing with.

SIGNIFICANT EVENTS DURING THE PERIOD

In July 2018, Serstech cancelled the agreement with International Outsourcing Services (IOS) in Indonesia and wrote off the remaining payment due for delivered products. After a legal process, Serstech repossessed products with a sales value of more than 2 MSEK. The value of the repossessed products is higher than the amount owed by IOS and covers all costs Serstech has had related to the matter. The products were included as an asset, valued at production cost, in the numbers for 2018 and has since turned into inventory used in the business.

THE FUTURE

The goal is still to reach SEK 150 million in profitable revenue on a 12-month rolling basis by the end of 2019.

PERSONNEL

As of March 31, 2018, Serstech had 13 (10) employees, among which 11 men and 2 women.

ACCOUNTING PRINCIPLES

The report has been prepared in accordance with BFNAR 2012: 1 Annual Report and Consolidated Financial Statements, K3.

The company's assets and liabilities are stated at cost or nominal value respectively unless otherwise stated.

This report has not been subject to review by the company's auditor.

LISTING

The shares have been traded since September 29, 2016 on Nasdaq OMX First North under the shortname SERT and with ISIN code SE0005365095. As of March 31, 2019, the company had approximately 2200 shareholders.



Quickly identifying illegal and dangerous substances is an integral part of efficient border control.



In 2019, Serstech will start to address the pharmaceutical market, which is demanding handheld devices for rapid identification of incoming goods.

INCOME STATEMENT

	2019-01-01 2019-03-31	2018-01-01 2018-03-31	2018-01-01 2018-12-31
Amounts in KSEK			
Revenue			
Net sales	3 251	1 210	10 588
Capitalized work for own account	1 142	894	3 563
Total revenue	4 393	2 104	14 151
Expenses			
Raw materials and consumables	-1 122	-733	-5 147
Other external costs	-1 148	-1 473	-7 812
Payroll expenses	-3 368	-2 240	-9 154
EBITDA	-1 245	-2 342	-7 962
Depreciation of tangible and intangible assets	-2 470	-1 119	-4 484
EBIT	-3 715	-3 461	-12 446
Interest and similar, net	-24	-209	-293
Exchange gains and losses	79	237	408
EBT	-3 659	-3 434	-12 331
Net Earnings	-3 659	-3 434	-12 331

BALANCE SHEET – ASSETS

	2019-03-31	2018-03-31	2018-12-31
Amounts in KSEK			
ASSETS			
Intangible assets			
Intangible assets	32 595	34 279	33 845
Total intangible assets	32 595	34 279	33 845
Tangible assets			
Equipment, tools, fixtures and fittings	709	896	771
Total tangible assets	709	896	771
Financial assets			
Total financial assets	0	0	0
Total fixed assets	33 304	35 176	34 615
Current assets			
Inventories etc.			
Inventories	1 685	899	951
Total	1 685	899	951
Current receivables			
Accounts receivable - trade	2 431	8 339	3 022
Current tax assets	155	0	122
Other receivables	2 656	2 925	3 020
Prepaid expenses and accrued income	216	153	1 246
Total Current receivables	5 458	11 417	7 410
Cash and bank balances	2 691	14 496	5 454
Total current assets	9 834	26 811	13 815
TOTAL ASSETS	43 138	61 987	48 430

BALANCE SHEET – EQUITY AND LIABILITIES

	2019-03-31	2018-03-31	2018-12-31
Amounts in KSEK			
Equity			
Equity	38 650	51 206	42 309
Total equity	38 650	51 206	42 309
Provisions	259	306	259
Non-current liabilities			
Liabilities to credit institutions	1 375	1 312	1 469
Total non-current liabilities	1 375	1 312	1 469
Current liabilities			
Liabilities to credit institutions	375	1 083	375
Work in progress on behalf of others	0	4 964	0
Accounts payable	793	1 788	2 538
Other current liabilities	418	255	479
Accrued expenses and deferred income	1 268	1 072	1 001
Total current liabilities	2 854	9 162	4 393
TOTAL EQUITY AND LIABILITIES	43 138	61 987	48 430

CHANGE IN EQUITY

	2019-01-01 2019-03-31	2018-01-01 2018-03-31	2018-01-01 2018-12-31
Amounts in KSEK			
Equity brought forward	42 309	34 418	34 418
Rights issue	0	24 034	24 579
Issue costs	0	-3 812	-4 357
Profit for the period	-3 659	-3 434	-12 331
Amount at end of period	38 650	51 206	42 309

CASH FLOW ANALYSIS

	2019-01-01 2019-03-31	2018-01-01 2018-01-31	2018-01-01 2018-12-31
Amounts in KSEK			
OPERATING ACTIVITIES			
Operating profit	-3 714	-3 224	-12 038
Adjustment for items not included in cash flow	2549	1 119	4 437
Interest paid	-24	-209	-293
CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGES TO WORKING CAPITAL	-1 189	-2 314	-7 894
CASHFLOW FROM CHANGES IN OPERATING PROFIT			
increase (-)/decrease (+) inventory	-734	-549	-601
increase (-)/decrease (+) account receivables	591	874	5 498
increase (-)/decrease (+) other short-term receivables	1 360	-4 807	-513
increase (+)/decrease (-) account payables	-1 745	657	1 407
increase (+)/decrease (-) other short-term liabilities	206	0	-9 720
CASHFLOW FROM OPERATING ACTIVITIES	-1 511	-6 139	-11 823
INVESTMENT ACTIVITIES			
Acquisition of property, plant and equipment	-16	-19	-155
Acquisition of intangible fixed assets	-1 142	-893	-3 564
CASHFLOW FROM INVESTMENT ACTIVITIES	-1 158	-913	-3 719
FINANCING ACTIVITIES			
Loans	-94	-437	-989
Share issue costs paid	0	-3 812	0
Rights issue	0	24 034	20 222
CASHFLOW FROM FINANCING ACTIVITIES	-94	19 785	19 233
CASHFLOW FOR THIS PERIOD	-2 763	12 733	3 691
Cash and cash equivalents at beginning of period	5 454	1 763	1 763
Cash and cash equivalents at end of period	2 691	14 496	5 454

KEY FIGURES

	2019-01-01 2019-03-31	2018-01-01 2018-03-31	2018-01-01 2018-12-31
(SEK)			
PROFITABILITY AND RETURN			
Revenue growth (%)	169%	-92%	37%
Operating margin (%)	neg	neg	neg
Profit margin (%)	neg	neg	neg
Return on equity (%)	neg	neg	neg
CAPITAL STRUCTURE			
Equity (KSEK)	44 976	51 206	42 309
Balance sheet (KSEK)	43 138	61 987	48 430
Capital employed (KSEK)	40 401	59 591	44 153
Interest-bearing net debt (KSEK)	-941	2 396	-3 610
Capital turnover rate (times)	0,07	0,02	0,22
Equity ratio (%)	90%	83%	87%
Gearing ratio (%)	4,5%	5%	4,4%
Interest coverage	neg	neg	neg
CASH FLOW AND LIQUIDITY			
Cash flow before investments (KSEK)	-1 511	-6 139	-11 823
Cash flow after investments (KSEK)	-2 669	-7 052	-15 542
Liquid funds (KSEK)	2 691	14 496	5 454
INVESTMENTS			
Acquisition of property, plant and equipment (KSEK)	-16	-19	-155
Acquisition of intangible fixed assets (KSEK)	-1 142	-893	-3 564
Sales of property, plant and equipment (KSEK)	0	0	0
Acquisition of subsidiaries (KSEK)	0	0	0
Acquisition of shares and holdings (KSEK)	0	0	0
PERSONNEL			
Average number of employees	15	11	11
Revenue per employee (KSEK)	300	110	1 404
Number of employees	16	10	14
DATA PER SHARE			
Number of shares	64 119 306	64 119 306	64 119 306
Earnings per share	-0,06	-0,06	-0,20
Equity per share (SEK)	0,60	0,80	0,66
Average number of shares	64 119 306	53 432 755	53 432 755
Earnings per average number of shares	-0,06	-0,07	-0,23

DEFINITIONS

PROFITABILITY AND RETURN

Revenue growth (%)	Change in revenue as a percentage of previous period revenue
Operating margin (%)	Operating profit as a percentage of turnover
Profit margin (%)	Profit for the period as a percentage of turnover
Return on equity (%)	Profit for the period as a percentage of average equity

CAPITAL STRUCTURE

Equity (KSEK)	Equity at the end of the period
Balance sheet (KSEK)	Total assets or total liabilities and equity
Capital employed (KSEK)	Balance sheet total less non-interest-bearing liabilities, including deferred tax
Interest-bearing net debt (KSEK)	Net interest-bearing provisions and liabilities less financial assets including liquid assets
Capital turnover rate (times)	Net revenue for the year divided by average balance sheet total
Capital turnover rate (times)	Equity as a percentage of total assets
Equity ratio (%)	Interest-bearing liabilities divided by equity
Gearing ratio (%)	Profit after financial items plus financial expenses divided by financial expenses
Interest coverage	

CASH FLOW AND LIQUIDITY

Liquid funds (KSEK)	Bank balances and cash
Cash flow before investments (KSEK)	Profit before financial items plus items that do not affect cash flow less change in working capital
Cash flow after investments (KSEK)	Profit after financial items plus items that do not affect cash flow less changes in working capital and investments

PERSONNEL

Average number of employees	Average number of employees during the period
Revenue per employee (KSEK)	Turnover divided by the average number of employees
Number of employees	Number of employees at the end of the period

DATA PER SHARE

Number of shares	Number of outstanding shares at the end of the period
Earnings per share (SEK)	Profit for the period divided by the number of shares
Equity per share (SEK)	Equity divided by the number of shares

FOR FURTHER INFORMATION, PLEASE CONTACT:

Future reports

The company will provide continuing financial information according to the following schedule:

2019-04-24

Annual shareholders meeting

2019-08-20

Half Year report (Jan-Jun)

2019-11-13

Quarterly report (Jan-Aug)

2020-02-27

Year End report (Jan-Dec)

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This is information that Serstech AB (publ.) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above at 08.45 CET on April 24, 2019.

Certified advisor to Serstech is Västra Hamnen Corporate Finance AB, phone: 040-20 02 50, e-mail: ca@vhcorp.se.



ABOUT SERSTECH

Serstech delivers solutions for chemical identifications and has customers across the world, mainly in the safety and security industry. Typical customers are customs, police authorities, security organizations and United Nations. The solutions and technology are however not limited to security applications and potentially any industry using chemicals of some kind could be addressed by Serstech's solution. Serstech is traded at Nasdaq First North and you find more information about the company at: www.serstech.com



HALF YEAR REPORT 1 January – 30 June 2019



Sales Increase by 200% from higher market presence

Second quarter 2019

- Net sales: KSEK 5 089 (1 558, +227%)
- Profit for the period: KSEK -3 349 (-2 166)
- Earnings per share SEK -0,05 (-0,03)

Period 1 January - 30 June 2019

- Net sales: KSEK 8 340 (2 768, +201%)
- Profit for the period KSEK -7 008 (-5 599)
- Earnings per share: SEK -0,11 (-0,09)

COMMENTS FROM THE CEO

During Q2, we passed another set of important milestones on our way to becoming a significant player in the security industry and a more mature, professional organization. Our net sales numbers continued to move in the right direction, +227% compared to Q2 2018, and we received significant orders, expanded the reach of our sales network and signed another OEM agreement. We dramatically expanded our R&D capabilities and added dedicated roles for product management and quality assurance, both of which are imperative as our volumes continue to increase.

Our operative cash flow continues to improve and for the first half of the year our operating cash flow was around 5.5 MSEK better than for the same period 2018¹. Our cash flow less financial activities² was -479 KSEK in Q2, which brings us close to positive numbers. With all trends pointing in the right direction, we are confident that we are soon cash flow positive.

In May and June, we expanded our Romanian team considerably, with five people joining the team. The main reason for expanding outside our main office in Lund is that the availability of highly skilled engineers in Romania is much greater than in Sweden. A positive sideeffect is that Serstech will take on much less cost and risk than if we had recruited in Lund and we now have sufficient staff to implement our aggressive software roadmap. The roadmap includes new versions of ChemDash, the first of which will be an important component for our expansion into the pharmaceutical market in Q3 and Q4. We expect that the pharmaceutical market will have an impact on our sales numbers already this year, since the sales cycles are much shorter in the private pharmaceutical market than the public security market.

In early June, we signed our third OEM partnership agreement and the initial demo order will be shipped in Q4 2019 and Q1 2020. Our new OEM partner, Swiss company RS Dynamics, launched their new product at a tradeshow in Israel in June and we expect orders to start during the second half of 2020. RS Dynamics has an interesting portfolio of trace detectors and with the addition of our capable Raman instrument, their customers will now also be able to identify the detected substances.

Since Serstech's management and board of directors recognize that our team is our most valuable asset, a three-year employee warrant program was introduced during the quarter. I was very happy to see that everyone in the company decided to purchase the full amount of warrants they were offered. Everyone in the company now has a financial stake in our future.

At the annual meeting, Arve Nilsson was elected to the board of directors and co-founder Thomas Pileby took on the role of chairman, as former chairman Sophie Persson declined reelection. As a consequence, our finance manager Joakim Nyström took over the CFO position from Thomas.

We reached the 2019 partner network target already in May and we now have 75 partners around the world. Due to our almost complete global partner coverage we no longer look for additional partners and focus completely on supporting the ones in place. In Q3 and Q4 we will launch both a partner development program and a partner certification program, introducing the "Serstech Certified" quality stamp on gold and platinum partners.

At the end of the quarter, our partner Hotzone Solutions received an order from the World Customs Organization (WCO), which is an important reference customer for us and our partners. WCO organizes 183 national customs authorities and its members process 98% of the world's international trade. The order was invoiced and delivered in two parts – one in June and one in July, as requested by the customer.

With the remainder of the WCO order and a few others, we had around 3 MSEK in orders that were invoiced after the end of the quarter. By the end of June, we had finally filled all our open positions and with the many opportunities identified and pursued by our partners, we are confident that our rapid growth will continue.



Stefan Sandor, CEO



¹ Difference in "Cashflow from operating activities" between 2019-06-30 and 2018-06-30 when excluding the 5 000 KSEK repayment of bridge loan connected to the rights issue in 2018 (part of "other short-term receivables). (-772) - (-11 243 +5000) = 5 471 KSEK

² Cashflow in Q2 – Financial activities in Q2 = 1 427 KSEK – 1 906 KSEK = -479 KSEK

Cashflow in Q2 = Cashflow jan-jun – Cashflow jan-mar = -1 336 KSEK – (-2 763 KSEK) = + 1 427 KSEK

Financial activities in Q2 = Financial activities jan-jun - Financial activities jan-mar = 1 812 KSEK – (-94 KSEK) = + 1 906 SEK

FINANCIAL COMMENTS

Sales and results

The net sales for the period January 1 to June 30 has increased significantly to SEK 8 340 (2 768). The EBITDA has also improved to KSEK -2 112 (-4 029) despite higher operational expenses. Improved sales and EBITDA can be explained by Serstech's strategy to create a solid partner network with recurring business from a large number of end-customers, which was implemented in 2018. Implementing new strategies takes time, but the improved sales is a clear indication that this strategy has set a new pace for the company.

"We are happy to have achieved this important milestone within a relatively short time-frame. The complete business foundation is now in place and, as a result, we see a rapidly increasing interest in our solutions"

Stefan Sandor, Serstech CEO on achieving year end goal of 60 distribution partners.

EBIT for the period was KSEK -7 052 (-6 269) and the reported net earnings for the period was KSEK -7 008 (-5 599). The lower earnings despite the increased sales is due to an increased depreciation of capitalized development costs, higher operational expenses and in part due to extra ordinary currency gains in comparative numbers.

Earnings per share during the period amounted to SEK -0.11 per share (-0.09). Earnings per average number of shares, due to the new share issue, amounted to -0,11 (-0,10).

Depreciation and amortization

The result for the period has been adjusted by KSEK 4 940 (2 240) for depreciation, of which KSEK 156 (176) refers to depreciation of equipment, tools and installations, whereas KSEK 4 784 (2 064) refers to depreciation of previous year's capitalized development costs. The increase in depreciation of capitalized development

costs is effective as from January 2019 as several long-term projects have been finalized and and therefore item for depreciation.

Investments

Serstech's total investments during the period amounted to KSEK 2 376 (1 750) and relate to intangible fixed assets of KSEK 2 326 (1 731) such as capitalized expenditure for development work, tangible fixed assets of KSEK 0 (19) such as inventory, tools and installations, and financial assets of KSEK 50 (0) for all shares in the company Serstech Förvaltning AB, related to the employee incentive program.

Liquidity and financing

At the end of the period, the company had KSEK 4 118 (8 616) in cash and banks and KSEK 1 000 in unutilized overdraft credit.

The management has secured additional financing if needed. The Board has concluded that the company has sufficient liquidity to implement its strategic plan.

At the reporting date the company had long-term interest-bearing liabilities of KSEK 2 481 (1 375).

Equity, share capital and number of shares

At the end of the period Serstech's equity amounted to KSEK 35 301 (49 041) and the company's equity ratio amounted to 83 percent (85).

The share capital is divided into 64 119 306 shares with a quota value of SEK 0.11. All shares belong to the same series and have the same voting and profit rights in the company.

ACCOUNTING PRINCIPLES

The report has been prepared in accordance with BFNAR 2012: 1 Annual Report and Consolidated Financial Statements, K3. The company's assets and liabilities are stated at cost or nominal value respectively unless otherwise stated.

This report has not been subject to review by the company's auditor.

LISTING

The shares have been traded since September 29, 2016 on Nasdaq OMX First North under the short name SERT and with ISIN code SE0005365095. As of June 30, 2019, the company had approximately 2200 shareholders.



Quickly identifying illegal and dangerous substances is an integral part of efficient border control.

SIGNIFICANT EVENTS DURING THE PERIOD

The annual general meeting (AGM) was held on April 24. The Members of the Board and the Chief Executive Officer (CEO) were granted discharge for their management duties in 2018. The Chairman of the Board Sophie Persson left the Board and the AGM elected Thomas Pileby as new Chairman of the Board. The AGM also elected Arve Nilsson as new Member of the Board.

On May 29, Serstech announced that Member of the Board Arve Nilsson acquired 77.256 Serstech shares on the open market.

On May 31, Serstech signed its third OEM agreement. The agreement was signed with the Swiss company RS Dynamics. The initial order value will be approximately 3 MSEK, to be invoiced over 9 months starting in Q4 2019.

“Customs organizations have been one of our main target groups for several years and receiving such a prestigious order represents a significant milestone in our sales efforts”

Stefan Sandor, Serstech CEO on the order from the WCO.

RS Dynamics has developed cutting edge patented technologies in portable and handheld devices for trace detection. Their devices can detect the presence of extremely small traces of explosives, narcotics and radioactive materials. With the Raman instrument and the ChemDash software from Ser-

The AGM also decided to offer the CEO, management and all employees of Serstech to buy stock warrants with the maturity of three years at market value.

On May 15, Serstech could announce having already achieved its year end goal to reach 60 signed distribution partner agreements. By doing so, Serstech has established access to the vast majority of security buyers in the world. Most of the public tenders in the security industry are not made fully public and are typically distributed only to trusted and established local suppliers. In addition, tenders are often written to benefit a certain product. Having local partners in prioritized markets means future tenders can now be influenced in favour of Serstech, a prerequisite to successful sales in the security industry.

On May 20, Serstech announced that all employees of Serstech had decided to enter the stock warrant program decided on the AGM. The strike price was set to 3.76 SEK per share.

stech, RS Dynamic will now be able to offer a complete solution that can also identify the traces found.

On June 11, Serstech announced the rapid expansion of its R&D team in response to the increasing demand for software solutions from its customers. The expanded team will focus on making the launch possible in September for the FDA (US Food and Drug Administration) certified version of ChemDash. This will allow Serstech to access the pharmaceutical and life science markets worth by estimates over 30 MEUR by 2020.

On June 24, Serstech received a 3.4 MSEK order for hardware and software from its Dutch partner Hotzone Solutions Group. The order, split between Q2 and Q3, was intended for the World Customs Organization. The World Customs Organization is an inter-governmental institution representing 183 customs organizations from around the world and the WCO members are responsible for processing more than 98% of all international trade.



In September 2019, Serstech will start to address the pharmaceutical market, which is demanding handheld devices for rapid identification of incoming goods.

SIGNIFICANT EVENTS AFTER THE PERIOD

N/A

THE FUTURE

The goal to reach SEK 150 million in profitable revenue on a 12-month rolling basis, starting from the end of 2019 remains.

PERSONNEL

As of June 30, 2019, Serstech had 13 employees, among which 11 men and 2 women.

INCOME STATEMENT

	2019-04-01 2019-06-30	2018-04-01 2018-06-30	2019-01-01 2019-06-30	2018-01-01 2018-06-30	2018-01-01 2018-12-31
Amounts in KSEK					
Revenue					
Net sales	5 089	1 558	8 340	2 768	10 588
Capitalized work for own account	1 183	837	2 326	1 731	3 563
Total revenue	6 272	2 395	10 666	4 499	14 151
Expenses					
Raw materials and consumables	-1 527	-735	-2 649	-1 468	-5 147
Other external costs	-2 323	-1 080	-3 471	-2 553	-7 812
Payroll expenses	-3 290	-2 267	-6 658	-4 507	-9 154
EBITDA	-868	-1 687	-2 112	-4 029	-7 962
Depreciation of tangible and intangible assets	-2 470	-1 121	-4 940	-2 240	-4 484
EBIT	-3 338	-2 808	-7 052	-6 269	-12 446
Interest and similar, net	-25	-30	-49	-240	-293
Exchange gains and losses	14	672	93	910	408
EBT	-3 349	-2 166	-7 008	-5 599	-12 331
Net Earnings	-3 349	-2 166	-7 008	-5 599	-12 331

BALANCE SHEET – ASSETS

	2019-06-30	2018-06-30	2018-12-31
Amounts in KSEK			
ASSETS			
Intangible assets			
Intangible assets	31 386	34 085	33 845
Total intangible assets	31 386	34 085	33 845
Tangible assets			
Equipment, tools, fixtures and fittings	615	808	771
Total tangible assets	615	808	771
Financial assets			
Total financial assets	50	0	0
	50		
Total fixed assets	32 051	34 893	34 615
Current assets			
Inventories etc.			
Inventories	1 753	396	951
Total	1 753	396	951
Current receivables			
Accounts receivable - trade	1 509	10 123	3 022
Current tax assets	188	0	122
Other receivables	2 584	3 703	3 020
Prepaid expenses and accrued income	130	207	1 246
Total Current receivables	4 411	14 033	7 410
Cash and bank balances	4 118	8 616	5 454
Total current assets	10 282	23 046	13 815
TOTAL ASSETS	42 333	57 938	48 430

BALANCE SHEET – EQUITY AND LIABILITIES

	2019-06-30	2018-06-30	2018-12-31
Amounts in KSEK			
Equity			
Equity	35 301	49 041	42 309
Total equity	35 301	49 041	42 309
Provisions	259	306	259
Non-current liabilities			
Liabilities to credit institutions	2 481	1 375	1 469
Total non-current liabilities	2 481	1 375	1 469
Current liabilities			
Liabilities to credit institutions	1 175	750	375
Work in progress on behalf of others	0	4 964	0
Accounts payable	1 148	359	2 538
Other current liabilities	548	290	479
Accrued expenses and deferred income	1 421	853	1 001
Total current liabilities	4 292	7 216	4 393
TOTAL EQUITY AND LIABILITIES	42 333	57 938	48 430

CHANGE IN EQUITY

	2019-04-01 2019-06-30	2018-04-01 2018-06-30	2019-01-01 2019-06-30	2018-01-01 2018-06-30	2018-01-01 2018-12-31
Amounts in KSEK					
Equity brought forward	38 650	51 207	42 309	34 418	34 418
Rights issue	0	0	0	24 579	24 579
Issue costs	0	0	0	-4 357	-4 357
Profit for the period	-3 349	-2 166	-7 008	-5 599	-12 331
Amount at end of period	35 301	49 041	35 301	49 041	42 309

CASH FLOW ANALYSIS

	2019-01-01 2019-06-30	2018-01-01 2018-06-30	2018-01-01 2018-12-31
Amounts in KSEK			
OPERATING ACTIVITIES			
Operating profit	-6 959	-5 359	-12 038
Adjustment for items not included in cash flow	4 940	2 240	4 437
Interest paid	-49	-240	-293
CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGES TO WORKING CAPITAL	-2 067	-3 360	-7 894
CASHFLOW FROM CHANGES IN OPERATING PROFIT			
increase (-)/decrease (+) inventory	-802	-47	-601
increase (-)/decrease (+) account receivables	1 513	-1 638	5 498
increase (-)/decrease (+) other short-term receivables	1 485	-5 093	-513
increase (+)/decrease (-) account payables	-1 390	-772	1 407
increase (+)/decrease (-) other short-term liabilities	489	-333	-9 720
CASHFLOW FROM OPERATING ACTIVITIES	-772	-11 243	-11 823
INVESTMENT ACTIVITIES			
Acquisition of property, plant and equipment	0	-19	-155
Acquisition of intangible fixed assets	-2 326	-1 731	-3 564
Acquisition of financial assets	-50	0	0
CASHFLOW FROM INVESTMENT ACTIVITIES	-2 376	-1 750	-3 719
FINANCING ACTIVITIES			
Loans	1 812	-375	-989
Share issue costs paid	0	0	0
Rights issue	0	20 222	20 222
CASHFLOW FROM FINANCING ACTIVITIES	1 812	19 847	19 233
CASHFLOW FOR THIS PERIOD	-1 336	6 853	3 691
Cash and cash equivalents at beginning of period	5 454	1 763	1 763
Cash and cash equivalents at end of period	4 118	8 616	5 454

KEY FIGURES

	2019-01-01 2019-06-30	2018-01-01 2018-06-30	2018-01-01 2018-12-31
(SEK)			
PROFITABILITY AND RETURN			
Revenue growth (%)	201%	-71%	37%
Operating margin (%)	neg	neg	neg
Profit margin (%)	neg	neg	neg
Return on equity (%)	neg	neg	neg
CAPITAL STRUCTURE			
Equity (KSEK)	35 301	49 041	42 309
Balance sheet (KSEK)	42 333	57 938	48 430
Capital employed (KSEK)	38 957	51 166	44 153
Interest-bearing net debt (KSEK)	-462	-6 491	-3 610
Capital turnover rate (times)	0,18	0,05	0,22
Equity ratio (%)	83%	85%	87%
Gearing ratio (%)	10%	4%	4%
Interest coverage	neg	neg	neg
CASH FLOW AND LIQUIDITY			
Cash flow before investments (KSEK)	-772	-11 243	-11 823
Cash flow after investments (KSEK)	-3 148	-12 993	-15 542
Liquid funds (KSEK)	4 118	8 616	5 454
INVESTMENTS			
Acquisition of property, plant and equipment (KSEK)	0	-19	-155
Acquisition of intangible fixed assets (KSEK)	-2 326	-1 731	-3 564
Sales of property, plant and equipment (KSEK)	0	0	0
Acquisition of subsidiaries (KSEK)	-50	0	0
Acquisition of shares and holdings (KSEK)	0	0	0
PERSONNEL			
Average number of employees	16	10	11
Revenue per employee (KSEK)	667	576	1 404
Number of employees	16	8	14
DATA PER SHARE			
Number of shares	64 119 306	64 119 306	64 119 306
Earnings per share	-0,11	-0,09	-0,20
Equity per share (SEK)	0,55	0,76	0,66
Average number of shares	64 119 306	53 432 755	53 432 755
Earnings per average number of shares	-0,11	-0,10	-0,23

DEFINITIONS

PROFITABILITY AND RETURN

Revenue growth (%)	Change in revenue as a percentage of previous period revenue
Operating margin (%)	Operating profit as a percentage of turnover
Profit margin (%)	Profit for the period as a percentage of turnover
Return on equity (%)	Profit for the period as a percentage of average equity

CAPITAL STRUCTURE

Equity (KSEK)	Equity at the end of the period
Balance sheet (KSEK)	Total assets or total liabilities and equity
Capital employed (KSEK)	Balance sheet total less non-interest-bearing liabilities, including deferred tax
Interest-bearing net debt (KSEK)	Net interest-bearing provisions and liabilities less financial assets including liquid assets
Capital turnover rate (times)	Net revenue for the year divided by average balance sheet total
Capital turnover rate (times)	Equity as a percentage of total assets
Equity ratio (%)	Interest-bearing liabilities divided by equity
Gearing ratio (%)	Profit after financial items plus financial expenses divided by financial expenses
Interest coverage	

CASH FLOW AND LIQUIDITY

Liquid funds (KSEK)	Bank balances and cash
Cash flow before investments (KSEK)	Profit before financial items plus items that do not affect cash flow less change in working capital
Cash flow after investments (KSEK)	Profit after financial items plus items that do not affect cash flow less changes in working capital and investments

PERSONNEL

Average number of employees	Average number of employees during the period
Revenue per employee (KSEK)	Turnover divided by the average number of employees
Number of employees	Number of employees at the end of the period

DATA PER SHARE

Number of shares	Number of outstanding shares at the end of the period
Earnings per share (SEK)	Profit for the period divided by the number of shares
Equity per share (SEK)	Equity divided by the number of shares

FOR FURTHER INFORMATION, PLEASE CONTACT:

Future reports

The company will provide continuing financial information according to the following schedule:

2019-11-13

Quarterly report (Jan-Sep)

2020-02 -27

Year End report (Jan-Dec)

2020-04-27

Annual shareholders meeting

2020-04-27

Quarterly report (Jan-Mar)

2020-07-20

Half Year report (Jan-Jun)

Stefan Sandor,
CEO, Serstech AB
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Thomas Pileby,
Chairman of the Board, Serstech AB
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Company homepage: www.serstech.com

This is information that Serstech AB (publ.) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above at 08.45 CET on April 24, 2019.

Certified advisor to Serstech is Västra Hamnen Corporate Finance AB, phone: 040-20 02 50, e-mail: ca@vhcorp.se.



ABOUT SERSTECH

Serstech delivers solutions for chemical identifications and has customers across the world, mainly in the safety and security industry. Typical customers are customs, police authorities, security organizations and first responders. The solutions and technology are however not limited to security applications and potentially any industry using chemicals of some kind could be addressed by Serstech's solution. Serstech is traded at Nasdaq First North and more information about the company can be found at www.serstech.com

SERSTECH AB: Serstech appoints new CFO

20 August, 2019 /

Serstech has a new CFO in Joakim Nyström. Joakim joined the Serstech team as Finance Manager in late 2018, working close to Thomas Pileby with the intention of later replacing him as CFO in a seamless way during 2019. Before joining the Serstech team, Joakim was a corporate relationship manager with Svenska Handelsbanken, a role at which he has spent the majority of his career since graduating with a Masters degree in International Business Administration and Economics from the University of Lund.

Having spent many years in a mature and structured organisation, analysing company data and discussing how to successfully manage the organisation with its leaders, Joakim brings a diversity of insight into successful processes and structuring that Serstech gains from in its current state of expansion.

Joakim has been acting CFO since Thomas Pileby took over as Chairman of the Board at the annual general meeting. Joakim assumes the CFO role as of today.

For further information, please contact:

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The information was submitted for publication, through the agency of the contact person set out above at 13:30 CET on August 20, 2019.

Certified advisor to Serstech is Västra Hamnen Corporate Finance AB, phone: 040-20 02 50, e-mail: ca@vhcorp.se

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SERSTECH AB: Boardmember Anna Werntoft resigns from the Board of Serstech

20 August, 2019 /

Anna Werntoft will leave the board of directors effective on the 30th of September. The reason for her resignation is that she enters a new operational position with terms that does not allow external assignments.

Serstech wishes Anna all the best in her new position and would like to thank her for her contribution while being on the Serstech Board.

The Serstech will consist of three Board members until the vacant position is filled. The search for a replacement has started and will be concluded before the next annual general meeting.

For further information, please contact:

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The information was submitted for publication, through the agency of the contact person set out above at 13:40 CET on August 20, 2019.

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SERSTECH AB: Serstech launches several new products and enters the pharmaceutical market

2 September 2019 /

Serstech today launches new versions of the Serstech 100 Indicator and the ChemDash software, both of which target the pharmaceutical and life-science market. The instrument and software are compliant with FDA (US Food and Drug Administration) regulatory framework that most pharmaceutical producers around the world adhere to.

The market for hand-held Raman instruments is estimated to be valued at 30 MEUR annually and Serstech already has 30 sales partners around the world addressing this market. Using Serstech's hardware and software to verify incoming goods, without opening the containers, will allow pharmaceutical producers to improve their efficiency and reduce cost.

"The FDA compliance is an absolute requirement for sales to this segment and the feedback we have from our partners and their customers is very promising", says Stefan Sandor, Serstech CEO.

Today, Serstech also launches its Heroin ID Kit, which is targeted at the security industry and is sold as an accessory to the Serstech 100 Indicator. During the summer, Serstech has applied for a patent for the solution, which uses SERS technology (Surface Enhanced Raman Spectroscopy) to greatly amplify the Raman signal in substances with a weak signal or high noise, such as heroin. The Heroin ID Kit solves a problem inherent in the underlying Raman technology and allows for quick and easy identification of heroin street samples.

"This is our second patent application in less than a year and we are confident that our Heroin ID Kit is one of the best in the market", says Johan Diedrichs, Serstech VP R&D.

For further information, please contact:

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The information was submitted for publication, through the agency of the contact person set out above at 09:15 CET on September 2, 2019.

Certified advisor to Serstech is Västtra Hamnen Corporate Finance AB, phone: 040-20 02 50, e-mail: ca@vhtcorp.se

About Serstech

Serstech delivers solutions for chemical identifications and has customers across the world, mainly in the safety and security industry. Typical customers are customs, police authorities, security organizations and first responders. The solutions and technology are however not limited to security applications and potentially any industry using chemicals of some kind could be addressed by Serstech's solution. Serstech is traded at Nasdaq First North and more information about the company can be found at: www.serstech.com

Revisorns yttrande enligt 13 kap. 6 § aktiebolagslagen (2005:551) över styrelsens redogörelse för väsentliga händelser för perioden 2019-03-28-2019-10-30

Till bolagsstämman i Serstech AB (publ), org.nr 556713-9893

Jag har granskat styrelsens redogörelse daterad 2019-10-30.

Styrelsens ansvar för redogörelsen

Det är styrelsen som har ansvaret för att ta fram redogörelsen enligt aktiebolagslagen och för att det finns en sådan intern kontroll som styrelsen bedömer nödvändig för att kunna ta fram redogörelsen utan väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på fel.

Revisorns ansvar

Min uppgift är att uttala mig om styrelsens redogörelse på grundval av min granskning. Jag har utfört granskningen enligt FARs rekommendation RevR 9 Revisorns övriga yttranden enligt aktiebolagslagen och aktiebolagsförordningen. Denna rekommendation kräver att jag följer yrkesetiska krav samt planerar och utför granskningen för att uppnå rimlig säkerhet att styrelsens redogörelse inte innehåller väsentliga felaktigheter. Revisorn tillämpar ISQC 1 (International Standard on Quality Control) och har därmed ett allsidigt system för kvalitetskontroll vilket innefattar dokumenterade riktlinjer och rutiner avseende efterlevnad av yrkesetiska krav, standarder för yrkesutövningen och tillämpliga krav i lagar och andra författningar.

Jag är oberoende i förhållande till Serstech AB enligt god revisorssed i Sverige och har i övrigt fullgjort mitt yrkesetiska ansvar enligt dessa krav.

Granskningen innefattar att genom olika åtgärder inhämta bevis om finansiell och annan information i styrelsens redogörelse. Revisorn väljer vilka åtgärder som ska utföras, bland annat genom att bedöma riskerna för väsentliga felaktigheter i redogörelsen, vare sig dessa beror på oegentligheter eller på fel. Vid denna riskbedömning beaktar revisorn de delar av den interna kontrollen som är relevanta för hur styrelsen upprättar redogörelsen i syfte att utforma granskningsåtgärder som är ändamålsenliga med hänsyn till omständigheterna, men inte i syfte att göra ett uttalande om effektiviteten i den interna kontrollen. Granskningen har begränsats till översiktlig analys av redogörelsen och underlag till denna samt förfrågningar hos bolagets personal. Vårt bestyrkande grundar sig därmed på en begränsad säkerhet jämfört med en revision. Jag anser att de bevis som har inhämtats är tillräckliga och ändamålsenliga som grund för vårt uttalande.

Uttalande

Grundat på min granskning har det inte kommit fram några omständigheter som ger mig anledning att anse att styrelsens redogörelse inte avspeglar väsentliga händelser för bolaget på ett rättvisande sätt under perioden 2019-03-28-2019-10-30.

Övriga upplysningar

Detta yttrande har endast till syfte att fullgöra det krav som uppställs i 13 kap. 6 § aktiebolagslagen och får inte användas för något annat ändamål.

Lund den 30 oktober 2019



Per-Arne Petersson

Auktoriserad revisor